

From: Michael Pryor
To: Microsoft ATR
Date: 1/23/02 11:29am
Subject: Microsoft Settlement

I would like to make some comments concerning the Microsoft settlement.

I believe that the proposed settlement between the Department of Justice and Microsoft should NOT be accepted in its current form. Reasons for this are:

- Microsoft has been proved in court to be a monopolist
- Nothing in the settlement will prevent Microsoft from erecting further barriers to entry to compete in the operating system market
- Microsoft has sufficiently large "mind share" amongst customers that no company can effectively compete against Microsoft unless they have the same amount of financial resources to bring to bear to compete. Microsoft has \$30 billion dollars in cash to create competing products in any marketplace they choose. They are adding to that hoard at the rate of about \$1 billion per month. A good deal of this cash hoard was accumulated due to their monopolistic practices.

Suggested solutions to help correct the problem:

- A large cash fine should be applied to Microsoft. Some sources suggest that Microsoft has accumulated this large a cash hoard illegally by not giving out dividends which are taxed by the receivers. To my understanding, Microsoft has not paid taxes on this level of retained earnings. A large fine would reduce the resources that Microsoft has to erect more barriers to entry.
- Require changes to all Microsoft licenses that currently prevent their tools from creating executable programs that run on other operating systems and prevent their applications from executing on other operating systems. All licenses for all Microsoft products should allow usage on any operating system. Microsoft uses the current license terms to help prevent the growth of competing operating systems.
- Require that Microsoft provide timely (within 1 month of their release into any publicly available product, including beta products) any additions or changes to operating system interfaces. This includes ALL interfaces, including security interfaces. The language in the current settlement document allows great leeway to Microsoft to withhold information for certain APIs. This act of withholding does not level the playing field.
- Remember that with Microsoft's large cash hoard, it is only a matter of time before they are able to create a monopoly in other areas of computer hardware and software. This kind of legal action will quite likely be required in the future unless appropriate action is taken now to prevent the inherent behavior that brings rise to the problem.

Thank for listening.

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